



UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, DC

Issued by the Department of Transportation on November 13, 1998

NOTICE OF ACTION TAKEN -- DOCKET OST 98-4602

This serves as notice to the public of the action described below, taken by the Department official indicated (no additional confirming order will be issued in this matter).

Application of **Reeve Aleutian Airways, Inc.** filed **10/20/98** and amended **10/22/98** for:

XX Exemption for two years under 49 U.S.C. 40109 to provide the following service:

Scheduled foreign air transportation of persons, property, and mail between Anchorage, Alaska, and Petropavlovsk-Kamchatski, Russian Federation, and between Anchorage, Alaska, and Yuzhno-Sakhalinsk, Russian Federation. The carrier plans to begin service on November 20, 1998.

XX Allocation of two weekly U.S.-Russia combination frequencies to operate the above service

Alaska Airlines, United Air Lines, and Delta Air Lines filed answers to Reeve Aleutian's application. Alaska filed in support of the application. United takes no position as long as the frequency award to Reeve Aleutian does not affect the seven frequencies United currently holds. Delta stated that it had firm plans to utilize each of the frequencies it has been allocated.

Applicant rep.: **Bradley D. Gilman, 703-527-4414** DOT analyst: **Sylvia Moore, 202-366-6519**

DISPOSITION

XX **Granted** subject to conditions (see below)

The exemption authority granted was effective when taken: **November 13, 1998,** through **November 13, 2000**

The frequency allocation was effective when taken: **November 13, 1998,** and will remain in effect, provided that Reeve Aleutian continues to hold the necessary underlying authority to serve the Anchorage-Petropavlovsk-Kamchatski and Anchorage-Yuzhno-Sakhalinsk markets.

Action taken by: **Paul L. Gretch, Director**
Office of International Aviation

XX The authority granted is consistent with the Air Transport Agreement between the United States and the Russian Federation, entered into force January 14, 1994. Although the Annexes to the Agreement expired May 31, 1997, they continue to be invoked by both parties as the operative source of the rights governing the relationship.

Except to the extent exempted or waived, this authority is subject to the terms, conditions, and limitations indicated: **XX** **Holder's certificate of public convenience and necessity**

XX **Standard Exemption Conditions (attached)**

(See Reverse Side)

Conditions: Consistent with our standard practice, the frequency allocation granted is subject to the condition that it will expire automatically and the frequencies will revert to the Department for reallocation if they are not used for a period of 90 days. The 90-day dormancy period will begin November 20, 1998, Reeve Aleutian's proposed startup date for its U.S.-Russia service.

Remarks: With respect to the frequency allocation, we noted that 3.5 weekly frequencies available for U.S.-Russia service have not been allocated and that Alaska Airlines has returned two of the three frequencies it had been allocated for U.S.-Russia service (Docket OST-98-4740), thus a total of 5.5 weekly frequencies were currently available. Since sufficient frequencies were available for Reeve Aleutian's service, there was no need to reallocate frequencies currently held by the other U.S. carriers.

Reeve Aleutian has previously been found to be a citizen of the United States and fit, willing and able to provide scheduled interstate air transportation of persons, property, and mail as a certificated air carrier under section 41102 of Title 49 U.S.C. (see Order 91-4-28). The foreign air transportation services authorized here are not markedly different in terms of aircraft size or stage length from the carrier's current scheduled interstate operations under its existing certificate authority. We, therefore, found that Reeve Aleutian is qualified to provide the proposed air services for the period covered by the exemption.

Under authority assigned by the Department in its regulations, 14 CFR Part 385, we found that (1) immediate action was required and was consistent with Department policy; (2) grant of the authority was consistent with the public interest; and (3) grant of the authority would not constitute a major regulatory action under the Energy Policy and Conservation Act of 1975. To the extent not granted, we denied all requests in the referenced Docket. We may amend, modify, or revoke the authority granted in this Notice at any time without hearing at our discretion.

Persons entitled to petition the Department for review of the action set forth in this Notice under the Department's regulations, 14 CFR §385.30, may file their petitions within ten (10) days after the date of issuance of this Notice. This action was effective when taken, and the filing of a petition for review will not alter such effectiveness.

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<http://dms.dot.gov/general/orders/aviation>*